

ORIGINAL		THIS AMENDMENT:	
_____ Passed _____	Passed as amended by _____		
_____ Failed _____	Not Offered _____		



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Arizona Corporation Commission

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JUN 21 2004

UTILITIES DIVISION AMENDMENT # 1
(Phased-In Rates Alternative for Wastewater Department)

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DOCKETED BY	<i>CR</i>
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DATE PREPARED June 21, 2004

**AZ CORP COMMISSION
DOCUMENT CONTROL**

COMPANY: AJO IMPROVEMENT COMPANY

UTILITIES AGENDA ITEM NO. 3

DOCKET NO. WS-01025A-03-0350

OPEN MEETING DATE: 6-24-04

PHASED-IN RATES ALTERNATIVE

The purpose of this Amendment is to provide the Commission with one method to phase-in rates for the Wastewater Department, if the Commission determines phase-in rates are appropriate. This method for phased-in rates provides for three equal increases of \$3.34 as follows: (1) The first phase-in would increase the current rate by \$3.34 from \$6.08 to \$9.42 on July 1, 2004; (2) the second phase-in would increase rates by \$3.34 from \$9.42 to \$12.76 and would occur on the 1st day of the month following the 3rd month after Ajo Improvement Company's notification to the Director of the Utilities Division that ADEQ has determined that its Wastewater Department meets the standards required by the Arizona Administrative Code; (3) the third phase-in would increase rates by \$3.34 from \$12.76 to \$16.10 and would occur 6 months after the second phase-in goes into effect. If the Commission determines phased-in rates are appropriate for the Wastewater Department, AIC stipulates to this phase-in plan for rates. Attached Exhibit B reflects the agreed-to proposal for phase-in schedules and rates.

Page 6, line 19, DELETE FOF 25, and INSERT THE FOLLOWING as the new FOF 25:

"25. The rates for untreated water and for the Wastewater Department as originally proposed and agreed to by the parties are attached as Exhibit A to the May 18, 2004 Recommended Order. After Commission discussion at the June 15, 2004 Open Meeting on the possibility of phased-in rates for the Wastewater Department, the Staff and Ajo Improvement Company filed stipulated phased-in rates for Commission consideration, attached as Exhibit B."

Page 7, line 1, after the word "rates" INSERT: ", if not phased-in,"

Page 7, line 3, ADD new FOFs 29 and 30, and renumber remaining FOFs.

“29. At the June 15, 2004 Open Meeting, the Commission discussed the possibility of phased-in rates for the Wastewater Department. After the Open Meeting, Staff and AIC met and discussed a phased-in plan for Wastewater Department rates. The rates and schedule for phased-in rates agreed to by Staff and AIC as one method for phasing-in rates if the Commission determines phased-in rates are appropriate, are attached as Exhibit B.”

“30. Exhibit B reflects Wastewater Department rates and phased-in schedules as follows: This method for phased-in rates provides for three equal increases of \$3.34 as follows: (1) The first phase-in would increase the current rate by \$3.34 from \$6.08 to \$9.42 on July 1, 2004; (2) the second phase-in would increase rates by \$3.34 from \$9.42 to \$12.76 and would occur on the 1st day of the month following the 3rd month after Ajo Improvement Company’s notification to the Director of the Utilities Division that ADEQ has determined that its Wastewater Department meets the standards required by the Arizona Administrative Code; (3) the third phase-in would increase rates by \$3.34 from \$12.76 to \$16.10 and would occur 6 months after the second phase-in goes into effect.

Page 8, line 10, after “charges” INSERT: “, if not phased-in,”

Page 8, line 22, after “Exhibit A” INSERT: “and Exhibit B”

Page 8, line 26, after “Exhibit A” INSERT: “for Water Department Services and Exhibit B for Wastewater Department phased-in rates”

Page 9, lines 3-6, DELETE and INSERT the following:

“Wastewater Department shall be phased-in and become effective under the following schedule. This method for phased-in rates provides for three equal increases of \$3.34 as follows: (1) The first phase-in would increase the current rate by \$3.34 from \$6.08 to \$9.42 on July 1, 2004; (2) the second phase-in would increase rates by \$3.34 from \$9.42 to \$12.76 and would occur on the 1st day of the month following the 3rd month after Ajo Improvement Company’s notification to the Director of the Utilities Division that ADEQ has determined that its Wastewater Department meets the standards required by the Arizona Administrative Code; (3) the third phase-in would increase rates by \$3.34 from \$12.76 to \$16.10 and would occur 6 months after the second phase-in goes into effect.

Make all conforming changes.

Exhibit B

Monthly Wastewater Residential Rates	First Increase Effective July 1, 2004	Second Increase	Third Increase
Three-Step Increase			
Present Rate	\$6.08	\$9.42	\$12.76
Increase	\$3.34	\$3.34	\$3.34
Revised Rate	\$9.42	\$12.76	\$16.10